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August 14, 2006

ELECTRONIC SUBMISSION

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 06-106
Ex Parte

Dear Ms. Dortch:

On August 11, 2006, Motient Corporation ("Motient") filed an *ex parte* letter¹ reporting that Motient's directors have approved unanimously the transaction proposed in the above-captioned proceeding and that Motient's shareholders have overwhelmingly rejected the board candidates nominated by Highland Capital Management, LP ("Highland") in a proxy fight that Highland based on its opposition to the transaction. Motient also reported that the analysts who reviewed the transaction at the request of Motient's board determined that it would enhance the value of Motient and TerreStar Networks, Inc. ("TerreStar").

Two letters that are attached to this filing provide additional evidence that the transaction enjoys the support of Motient's management and TerreStar's management. The first letter (Attachment 1) has been provided by Robert L. Macklin, Motient's Vice President and General Counsel and the second letter (Attachment 2) has been provided by Robert H. Brumley, TerreStar's President and CEO.

In its August 11 letter, Motient urged the Commission to reject Highland's suggestion that it overturn the well-considered business judgments of Motient's

¹ Letter from Henry Goldberg, attorney for Motient, to Marlene H. Dortch, FCC.

directors and shareholders. Well-established Commission precedent supports Motient's request.

For example, in *MMM Holdings, Inc.*,² which involved a proposed transfer of control of LIN Broadcasting to a subsidiary of McCaw Cellular Communications, the Commission stated that it would "generally not become involved in reviewing corporate financing decisions."³ The Commission recognized that "the marketplace has a natural tendency to provide reasonable evaluations of properties' future financial soundness, through the collective judgment of numerous investors,"⁴ and expressed a "basic predilection not to second-guess these kinds of business judgments, especially where ... they must be ratified by a significant segment of the financial community."⁵

Similarly, in *Shareholders of GAF Corporation*, the Commission articulated a "general policy ... not to interfere with a company's capital structure or second guess the financial community or investors which believe that the surviving company in corporate takeovers or buyouts will be financially strong enough to repay debt."⁶ And in *Shareholders of CBS Inc. (Transferor) and Westinghouse Electric Corporation (Transferee)*, the Commission emphasized that it "generally refrains from interfering with a company's capital structure or from questioning a lending institution's determination

² 4 FCC Rcd 8243 (1989).

³ *Id.* at 8245 ¶ 14.

⁴ *Id.*

⁵ *Id.*

⁶ 7 FCC Rcd 3225, 3229 (1992). Business judgments as to whether an operating company will be able to repay debt following a transfer of control are analogous to business judgments as to whether a start-up company (e.g., TerreStar) will be able to raise financing following a transfer of control.

that the merged entity will be financially able to repay the loans.”⁷ These precedents support giving deference to the business judgments made by Motient’s directors and shareholders in this matter.⁸

Respectfully submitted,

A handwritten signature in black ink that reads "Henry Goldberg". The signature is written in a cursive, flowing style with a large, prominent "H" and "G".

Henry Goldberg
Attorney for Motient Corporation

⁷ 11 FCC Rcd 3733, 3746 (1995).

⁸ The Commission may depart from its general practice of not reviewing business decisions if a petitioner has presented specific allegations of fact that establish a *prima facie* public interest issue. See *MMM Holdings, Inc.*, 4 FCC Rcd at 8245. No such specific allegations, however, have been presented in this proceeding. Rather, Highland has offered speculation, not backed up by concrete support, as to TerreStar’s prospects for raising financing following consummation of the proposed transaction. The Commission has made clear that “speculative hypotheses and projections” do not establish a *prima facie* public interest issue. *Id.*

ATTACHMENT 1

LETTER FROM ROBERT L. MACKLIN



August 14, 2006

ELECTRONIC SUBMISSION

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 06-106
Ex Parte

Dear Ms. Dortch:

This letter elaborates upon statements made in an *ex parte* letter that was filed by counsel for Motient Corporation ("Motient") on August 7, 2006.¹ In the August 7 letter, it was reported, among other things, that Motient's ten person board of directors – nine of whom are independent directors under the regulations of NASDAQ – had approved unanimously the transaction that the Commission has under consideration in the above-referenced proceeding, and that the analysts Motient had asked to review the transaction concluded that it would be beneficial for both Motient and TerreStar Networks Inc. ("TerreStar").

I am writing to emphasize the importance of this transaction for both companies. As Motient noted in its 10-Q filing with the Securities and Exchange Commission, TerreStar is a start-up company embarking on a capital-intensive effort to complete the construction of its 2 GHz MSS satellite, launch the satellite, make the payments that are needed to clear shared bands, and construct an ancillary terrestrial component network.

Upon consummation of the transaction, a single entity – SkyTerra Communications, Inc. – will have a nearly 80 percent interest in the general partner that controls MSV, and Motient will have a nearly 75 percent interest in TerreStar. By making a clear separation between control of TerreStar and control of MSV, the proposed transaction will dramatically simplify the ownership of TerreStar and MSV. This will facilitate capital investment in TerreStar by enabling potential investors and banks to negotiate an investment or a loan with a single majority owner rather than negotiating with multiple parties, each with different demands and requirements.

Respectfully submitted,

/s/ Rob Macklin
Robert L. Macklin
Vice President and General Counsel

¹ Letter from Henry Goldberg, counsel for Motient, to Marlene H. Dortch, FCC.

ATTACHMENT 2

LETTER FROM ROBERT H. BRUMLEY



August 14, 2006

ELECTRONIC SUBMISSION

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 06-106
Ex Parte

Dear Ms. Dortch:

In the above-referenced proceeding, Highland Capital Management, LP ("Highland") has questioned whether the transaction proposed in that proceeding is in the best interests of TerreStar Networks Inc. ("TerreStar"). I am writing to confirm that TerreStar's management gave careful consideration to this transaction and wholly supports it. We believe that the Commission's expeditious approval of the proposed transaction will facilitate TerreStar's access to capital markets and will enable it to implement its plan to make a unique telecommunications resource available to federal, state, and local homeland security and public safety agencies and to residents of underserved areas.

Respectfully submitted,

/s/Robert H. Brumley
President and CEO